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C O N F I D E N T I A L SECTION 01 OF 03 RANGOON 001234

SIPDIS

STATE FOR EAP/MLS; PACOM FOR FPA

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TAGS: [PGOV](#) [PHUM](#) [PREL](#) [PINS](#) [ECON](#) [BM](#) [CM](#) [TH](#)

SUBJECT: EASTERN SHAN STATE: BURMA'S NON-BURMA

REF: A. RANGOON 1095

[1](#)B. 04 RANGOON 165

Classified By: Pol/Econ officer Aaron Trimble for Reasons 1.4 (b,d)

[1](#)1. (SBU) Summary: Rangoon PolEcon Officer and FSN Political Specialist recently traveled throughout eastern Shan State, visiting the trading crossroads of Tachileik (on the border with Thailand) and Mongla (on the border with China), as well as the regional capital, Kenteng. Falling under the increasing economic influence of China and Thailand has created for some locals an identity conflict and reveals limits to GOB authority. Although former insurgent groups retain limited autonomy in several border areas, the GOB nonetheless maintains tight political control over the region as a whole and democracy activists continue to suffer from heavy-handed repression. End Summary.

Tachileik: Burma or Thailand?

[1](#)2. (U) A September orientation trip to eastern Shan State allowed us to observe the substantial and growing economic influence of Thailand and China, as well as the limited autonomy still enjoyed by former insurgent groups that control pockets of territory along the border. Despite a heavy GOB presence in the border city of Tachileik, for example, local citizens seemed oblivious to being in Burmese territory. Trade is conducted in Thai baht and our offers of Burmese kyat for local and imported products brought odd looks. Thai language was prevalent in Tachileik and local members of the elite send their children to schools on the Thai side of the border. As we departed Tachileik, one Burmese airport security clerk commented, without irony, that she hoped to visit Burma someday, too.

[1](#)3. (C) In Tachileik, P/E Officer met several local religious leaders. One young Catholic priest cautiously told us about the difficulties he encountered with GOB officials in attempting to provide basic church services to his parishioners. He stated that as a result of a myriad of restrictions, including obstacles to travel, he could not address many of his parishioners' social needs. He also noted that the Church carefully documented social problems and GOB restrictions and reported them to the Vatican.

[1](#)4. (C) The Imam at a local mosque professed that everything was going well with his members, most of whom are Chinese Muslims. The Imam said that he preaches mutual understanding and respect for all religions as the only way to achieve communal harmony. By taking this attitude, the Imam said, he has avoided problems from the authorities. The Imam's mosque, for example, was rebuilt in the 1990s with approval from SPDC Vice Senior General Maung Aye (Note: The GOB frequently prohibits the construction of new mosques or the refurbishment of existing mosques. End Note.)

[1](#)5. (C) P/E Officer also visited a Baptist church where the GOB had stymied efforts to enlarge the sanctuary. The preacher's wife explained that the majority of its church members were retirees from the Burmese Army's Kachin Rifles regiment, who had been stationed in Tachileik in the 1950s. After retiring, most returned to Kachin State, but were later offered free land by the government as incentive to return to Tachileik. When the small Baptist community outgrew its sanctuary, they attempted to enlarge it, but the government imposed new restrictions in 2002 so that renovations remain incomplete.

Kengteng: Struggling As Long As It Takes

[1](#)6. (C) In Kenteng, P/E Officer met with four ethnic Shan members of the National League for Democracy (NLD). The pro-democracy supporters said that GOB security authorities, "who are worse than the former Military Intelligence," closely monitor the activities of party members. The authorities, for example, convoked one MP-elect and interrogated him about his intentions to attend the 17th anniversary of the formation of the NLD in Rangoon (ref A). Police Special Branch officers had recently begun entering the homes of party leaders without warning. One NLD member calmly described some of the horrors of his recent three-year imprisonment and how, after a week of forced starvation,

authorities offered poisoned coffee to both him and his cell mate. He refused, but his cell mate drank the coffee and eventually died. Despite the abuse, the Shan NLD members declared that they would continue to struggle "as long as it takes" and asserted that the majority of the Shan people support their cause.

17. (C) In Kengteng, we visited with a minority "Ahka Cultural Affairs" leader, Peter Noi Naw. The ethnic leader addressed the depressed condition of the Ahka minority, observing that since the 2004 ouster of former Prime Minister Khin Nyunt, no one from the GOB appeared interested in assisting the ethnic minorities in Shan State, many of whom face economic, social, and health problems.

18. (SBU) While most of our interlocutors described difficult situations under the current government, several of the people we encountered grudgingly admitted that electrical power and services had improved this year. When P/E Officer asked about Chinese influence, several locals became animated and praised the Chinese products that are entering the region. They specifically cited small hydro-powered generators that the Chinese sell to many of the ethnic villagers. Cheaper than fuel-driven generators meant that anyone living near a stream or river can now generate enough power to run a television.

Mongla: Gambling Mecca or Ghost Town?

19. (SBU) To reach the Chinese border town of Mongla, located within Special Region Four, controlled by the National Democratic Alliance Army (NDAA), entailed passing through an NDAA checkpoint where an entry fee was collected to visit the "State of Mongla." From that point on, only Chinese yuan was accepted as currency. Mongla, a casino town once filled with gambling Chinese (ref B), now appears to be little more than a ghost town. Large, extravagant casinos dot the landscape, but locals told us they remain closed because the PRC government now restricts travel to Mongla over concerns that some Chinese government officials were transferring their entire salaries into casino accounts.

110. (U) We toured the local GOB drug museum, which displays counternarcotics program photos that include U.S. personnel participating in joint opium yield surveys, complete with diagrams and life-size models. Special Region Four pronounced itself a drug-free zone in 1997. Our museum guide claimed the area was drug-free because the poppy crops had moved to other, more remote areas. The Mongla morning market was bustling during our visit, with one section catering to discerning gourmants by offering live monitor lizards, cobras, turtles, and woodchucks. We also observed sale of many animal parts from the CITES list that were advertised as "guaranteed to improve one's stamina."
Comment: Back of Beyond

111. (C) Our travels to the hinterlands of Burma generally reveal a much more heavy-handed presence of the regime's security apparatus than one finds in the country's frequently visited tourist destinations, such as Bagan and Mandalay. This trip to eastern Shan State was no exception. Security personnel followed us throughout the trip and local Burmese, from hotel managers to tour guides, exhibited nervousness when speaking with us. Several of our interlocutors also mentioned that GOB personnel had told them to limit their time with us. The GOB, however, does not seem capable of limiting the ever-expanding influence resulting from trade with China and Thailand. And, as evidenced in Special Region Four, there remain several areas in this part of the country in which even the GOB has limited authority. End Comment.

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